

A limited bingo license allows an organization to conduct bingo at no more than two indoor or outdoor festivals during the calendar year for which the license is issued for a maximum of five consecutive days on each occasion. See 86 Ill. Adm. Code 430.160. (This is a GIL.)

October 5, 2005

Dear Xxxxx:

This letter is in response to your letter dated August 26, 2005, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at www.tax.illinois.gov to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

I am an accountant and would like to get a better understanding and clarification on some items regarding Limited Bingo License.

It is my understanding that an organization that has a limited license can conduct 2 events per year. I have a few questions regarding the number of games allowed to be played at each event and the prize limits allowed.

1. In the tax act Sec 2 item 12, it says the number of games played can exceed 25. Is this allowed at only 1 of the 2 events? Is there any limitations on how many games or how many hours in one day that can be played?
2. It also mentions that if non-cash prizes are awarded, the prize limits of \$2,250 do not apply provided that the retail value of non-cash prizes for any single game does not exceed \$150. However, if non-cash prizes and cash are both given, what limitations apply? Is there still the limit of \$2250 for cash and value of non cash prizes?

Your help with this matter is greatly appreciated.

DEPARTMENT'S RESPONSE:

A limited bingo license allows an organization to conduct bingo at no more than two indoor or outdoor festivals during the calendar year for which the license is issued for a maximum of five consecutive days on each occasion. See 86 Ill. Adm. Code 430.120(a). Except as set out below, the maximum number of games played per any single day may not exceed twenty-five. See 86 Ill. Adm. Code 430.160(b)(1).

As one of the occasions allowed by the above limitation, an organization holding a limited license may conduct bingo for a maximum of two consecutive days, wherein the number of games permitted may exceed twenty-five. See 86 Ill. Adm. Code 430.160(b)(1). This would be permitted at only one of the above stated two events allowed per calendar year. There is no limitation on the number of games permitted in any twenty-four hour period. However, the prize limitation of \$2,250 would still apply if non-cash prizes were awarded.

For the one occasion exceeding the twenty-five game limit allowed under the statute, if only non-cash prizes of \$150 or less were awarded per game, then the aggregate value of all prizes or merchandise awarded may exceed \$2,250. See 230 ILCS 25/2(12). All other occasions would be subject to the prize limitations pursuant to Section (4) of the Act. If both cash and non-cash prizes are awarded, then the limitations set out in Section (4) of the Act would apply. See 86 Ill. Adm. Code 430.160(c).

I hope this information is helpful. If you require additional information, please visit our website at www.tax.illinois.gov or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Edwin E. Boggess
Associate Counsel

EEB:msk